

**CALCULATION OF CAPITAL GAINS/LOSSES FOR MONTANA ADJUSTED GROSS INCOME
MARRIED FILING SEPARATELY ON THE SAME FORM**

| | | <u>SCENARIO 1</u> | | <u>SCENARIO 2</u> | | <u>SCENARIO 3</u> | | <u>SCENARIO 4</u> | | <u>SCENARIO 5</u> | |
|------------------------------|---------|---|-------------------------------------|---|-------------------------------------|--|--------------------------|------------------------|--------------------------|--------------------------|-------------------------------------|
| | | Spouse A | Spouse B | Spouse A | Spouse B | Spouse A | Spouse B | Spouse A | Spouse B | Spouse A | Spouse B |
| Gains and Losses | Federal | \$5,000 gain (current) | \$8,000 loss (current or carryover) | \$5,000 gain (current) | \$9,500 loss (current or carryover) | \$5,000 gain (current) | \$6,500 loss (carryover) | \$5,000 gain (current) | \$0 gain or loss | \$5,000 gain-joint | \$8,000 loss (current or carryover) |
| | State | (same) | (same) | (same) | (same) | (same) | \$9,500 loss (carryover) | (same) | \$1,500 loss (carryover) | \$0 | (same) |
| Montana Form 2 Line 13 | | \$0 | (\$3,000) | \$0 | (\$3,000) | \$0 | (\$1,500) | \$5,000 | \$0 | \$0 | (\$3,000) |
| Sch II, line 25 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,500 | \$1,500 | \$0 | \$0 | \$0 |
| Net gains/(losses) in MT AGI | | \$0 | (\$3,000) | \$0 | (\$3,000) | \$0 | (\$3,000) | \$3,500 | \$0 | \$0 | (\$3,000) |
| | | | | Spouse B has \$1,500 capital loss carryover for federal and Montana | | Spouse B has \$1,500 capital loss carryover for Montana only | | | | | |
| | | <u>SCENARIO 6</u> | | <u>SCENARIO 7</u> | | <u>SCENARIO 8</u> | | <u>SCENARIO 9</u> | | <u>SCENARIO 10</u> | |
| | | Spouse A | Spouse B | Spouse A | Spouse B | Spouse A | Spouse B | Spouse A | Spouse B | Spouse A | Spouse B |
| Gains and Losses | Federal | \$5,000 gain-joint | \$9,500 loss (current or carryover) | \$5,000 gain-joint | \$6,500 loss (carryover) | \$5,000 gain-joint | \$0 gain or loss | \$5,000 gain-joint | \$0 | \$0 | \$5,000 gain (current) |
| | State | (same) | (same) | (same) | \$9,500 loss (carryover) | (same) | \$1,500 loss (carryover) | (same) | \$8,000 loss (carryover) | \$8,000 loss (carryover) | |
| Montana Form 2 Line 13 | | \$0 | (\$3,000) | \$0 | (\$1,500) | \$2,500 | \$2,500 | \$5,000 | \$0 | \$0 | \$5,000 |
| Sch II, line 25 | | \$0 | \$0 | \$0 | \$1,500 | \$750 | \$750 | \$5,000 | \$3,000 | \$1,500 | \$6,500 |
| Net gains/(losses) in MT AGI | | \$0 | (\$3,000) | \$0 | (\$3,000) | \$1,750 | \$1,750 | \$0 | (\$3,000) | (\$1,500) | (\$1,500) |
| | | Spouse B has \$1,500 capital loss carryover for federal and Montana | | Spouse B has \$1,500 capital loss carryover for Montana only | | As the result of applying B's loss to the joint gain, the married taxpayers have net gains and they are split equally. | | | | | |